

# FEDERICA MOGHERINI

HIGH REPRESENTATIVE

VICE PRESIDENT OF THE EUROPEAN COMMISSION

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To Senator Ted Cruz and the signatories of the letter of 9 November

Dear Senators,

Thank you for your letter of 9 November 2015 in which you have conveyed to me your concerns on a matter related to the European Union's bilateral relations with Israel, namely the indication of origin of goods from territories occupied by Israel since June 1967.

Allow me first to state in the clearest possible terms that the European Union is a friend of Israel and has never advocated or condoned a boycott of Israel, of its citizens, of its companies or of its products.

In 2015, we have marked the 40<sup>th</sup> anniversary of the EU-Israel trade agreement, which paved the way for the EU-Israel Association agreement of 1995. The Association agreement provides for free trade for Israeli industrial and agricultural products and led to an expansion of our mutual relationship beyond trade to political, economic, social, scientific and cultural cooperation. Trade flows between the EU and Israel have doubled since 1995, going from around €15 billion in 1995 to around €30 billion in 2014.

With the exception of EU candidate countries and immediate neighbours, Israel is amongst the countries in the world which has the most far-reaching relations with the EU. The bond between the EU and Israel is not only unbreakable: it is also indispensable. We share many common interests, both in our bilateral cooperation and in the region.

While EU-Israel relations are generally thriving, the EU has repeatedly stated its concerns and opposition to Israel's settlement policy and actions taken in this context. The EU's long-standing and well-known position is that it will not recognise any changes to pre-1967 Israeli borders other than those agreed by the parties to the conflict. The EU is far from alone in its positions on the occupied territories, which are backed by several United Nations Security Council resolutions and many countries around the world, including the United States. The EU is not pre-empting the outcome of negotiations on Israel's future borders. This is up to the Israelis and the Palestinians. The EU has stated that it will accept whatever is agreed by the parties.

However, until such an agreement is reached, the EU has decided to make the necessary distinction between Israeli settlements in the occupied territories on the one hand, and Israel within its pre-1967 borders on the other, which has allowed the development of our bilateral relations within the framework of the 1995 Association Agreement. In this respect, a technical arrangement between the European Union and Israel, based on postal codes, has been in force already for more than a decade, ensuring that preferential customs duty treatment is granted only for goods coming from within Israel proper.

The interpretative notice which was adopted by the Commission on 11 November aims at ensuring the uniform application of existing EU law to the indication of origin of Israeli settlement products. The notice responds to a unanimous request by European Union Member states for clarity on the application of *existing* EU legislation in the matter. In a nutshell the Notice recalls that when the indication of origin is mandatory, i.e. explicitly required by the relevant provisions of EU law, it must be correct and not misleading. It is very clear that "Made in Israel" would be inconsistent with existing EU legislation for products coming from Israeli settlements.

Any analogy of this notice to the boycotts, divestment, and sanctions (BDS) movement against Israel is not only misleading but also unjustified. Let me be quite clear: there is no EU boycott of any product. On the contrary, the guidelines enable the continued access to European markets of products from both Israel and Israeli settlements in territories occupied by Israel since 1967, but requires a distinction between them in terms of ensuring a correct indication of origin of those products. To do otherwise might be seen as prejudging the outcome of future negotiations on borders, which would be contrary to both European and US policy.

I have discussed these matters with Prime Minister Netanyahu at several recent occasions and am confident that the EU and Israel will continue to have excellent relations.

Yours sincerely,



Federica Mogherini